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United Nations Children's Fund
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Agenda item 11

Draft decision submitted to the Executive Board

Joint report on cost recovery

The Executive Board

1. *Recalls* Executive Board decision 2013/5, which endorsed the current harmonized cost-recovery policy, and in this regard recognizes and welcomes the efforts of UNICEF, together with the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), in implementing the policy;

2. *Also recalls* Executive Board decisions 2017/7 and 2017/14, in which the Executive Board directed the agencies to implement the cost-recovery policy and ensure full cost recovery proportionally from regular and other resources funding sources, and provide incentives to increase regular resources funding;

3. *Takes note* of the report DP/FPA/ICEF-UNW/2018/1 and the two proposals for the recovery of indirect costs presented therein;

4. *Notes* paragraph 28 (d) of General Assembly resolution 72/279, which calls for a further harmonization of cost recovery by individual United Nations development system entities, and in this regard commends UNDP, UNFPA, UNICEF and UN-Women for their harmonized cost-recovery framework and encourages them to work with other entities of the United Nations development system, after due consideration by their respective governing bodies, to adopt a harmonized cost-recovery framework;

5. *Requests* UNICEF, together with UNDP, UNFPA and UN-Women, to jointly review existing cost definitions and classifications of activities and associated costs, with a view to further harmonize their approaches by determining common definitions of cost categories and corresponding activities and functions at a granular level, while taking into account the different business models of the individual agencies, which allows for a full understanding of each categories' composition, options for possible alignment of similar functions to the same cost classifications across agencies, and continues to provide a basis for comparisons among organizations as well as alignment

with the strategic plans of the organizations, to be presented to the Executive Board for decision at its second regular session in 2019;

6. *Reaffirms*, in this regard, the harmonized cost-recovery policy endorsed by the Executive Board in its decision 2013/5, and requests UNICEF, together with UNDP, UNFPA and UN-Women, to present a preliminary comprehensive proposal on the cost-recovery policy for consideration by the Executive Board at its first regular session in 2020, with a view to present a final comprehensive proposal for decision of the Executive Board at its second regular session in 2020;

7. *Requests* UNICEF, together with UNDP, UNFPA and UN-Women, to reduce the granting of waivers lowering the agreed cost-recovery rates and to provide an update on the steps taken in this regard, including on the application of waivers across their organizations, to the Executive Board at its annual session in 2019;

8. *Also requests* UNICEF, together with UNDP, UNFPA and UN-Women, to review in a comprehensive manner cost-recovery rates, as part of the comprehensive proposal;

9. *Further requests* UNICEF, together with UNDP, UNFPA and UN-Women, to present an assessment of the reasons why full cost recovery is not currently being achieved, as part of the comprehensive proposal.